

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

CSFs - Extension of financial assistance to three Coop Sugar Factories at Kovur, Anakapally, Chittoor and Kovur to clear the cane price dues to the cane farmers - Loan of Rs.758.82 lakhs sanctioned - Orders – Issued.

INDUSTRIES AND COMMERCE (SUGAR) DEPARTMENT

G.O.MS.No. 94

Dated:06-09-2010.  
**READ** the following:-

- 1) From the Commr. of Sugar & C.C., Hyd., Lr.Rc.No.D1/1982/2010, dated 31-5-2010.
- 2) From the Commr. of Sugar & C.C., Hyd., Lr.Rc.No.D1/1982/2010, dated:23-06 -2010.
- 3) G.O.Rt.No.3942 Fin (Exp. I&C) Dept., dt: 3.9.2010.

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**ORDER :-**

The Commissioner of Sugar & Cane Commissioner, Hyderabad, in the reference 1<sup>st</sup> read above, has stated that the Managing Director, Anakapalle Co-operative Sugar Factory, the District Collector/Person In-charge, Chittoor and the Managing Director, Kovur CSF, Nellore have requested to recommend their cases to State Government for sanction of financial assistance to meet the balance cane price dues for the season 2009-2010.

Due to various steps taken by the Govt. of India, the sugar prices have been crashed to Rs.2600 per quintal (from record of Rs. 4000 per quintal at one stage). This has lead to financial crisis in the said (3) Coop Sugar Factories to pay the agreed price. The Coop Sugar Factories are running in huge losses and they don't have any surplus money to clear the cane price, due to sudden crash in sugar prices. It is also to point out that these 3 CSFs have taken loan from APIDC for payment of cane price dues during 2008-2009 season but could not pay due to decline in sugar price. The Managing Director, APIDC is pressurizing for clearance of the dues payable to them and they have seized the Molasses. As on date, some of the farmers have not received even the statutory cane price i.e., FRP and Purchase tax incentive, though, the season is over by March, 2010. There is tremendous pressure from the farmers for clearance of the cane price dues.

2. The Commissioner of Sugar in his letter 2<sup>nd</sup> read above, has stated that all the three Managing Directors of Co-operative Sugar Factories have submitted the proposals pertaining to statutory cane payments. The Commissioner has requested to extend financial assistance amounting to Rs.758.82 lakhs to meet the expenditure of statutory cane payments and to overcome the issue of penalties and to safeguard the interest of the affected sugarcane farmers to the three Co-operative Sugar Factories as follows:-

1. Chittoor CSF	Rs.378.60 lakhs
2. Kovur CSF	Rs.350.00 lakhs
3. Anakapalle CSF	<u>Rs. 30.22 lakhs</u>
<b>Total</b>	<b><u>Rs.758.82 lakhs</u></b>

**Contd.2/-**

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3. The Government after careful examination hereby accord sanction for an amount of Rs.7,58,82,000-00 (Rupees seven crores fifty eight lakhs eighty two thousand only) as a loan towards financial assistance to meet the expenditure of statutory cane payments and to over come the issue of penalties and to safeguard the interest of the affected sugarcane farmers to the following three Cooperative Sugar Factories:-

1. Chittoor CSF	Rs.378.60 lakhs
2. Kovur CSF	Rs.350.00 lakhs
3. Anakapalle CSF	<u>Rs. 30.22 lakhs</u>
Total	<u>Rs.758.82 lakhs</u>

4. The expenditure sanction at para (3) above shall be debited to the following Head of Account:

"6860- Loans for Consumer Industries – 04 – Sugars – M.H.101- Loans to Coop. Sugar Mills – GH 11 – N.S.P. – SH (09) – loans to Co-op. Sugar Factories for making statutory cane payment. 001- Loans to Co-op. Sugar Factories for making Statutory cane payments to the farmers (to be opened)".

5. The loan sanctioned in para(3) above, shall be repaid in 5 years from the date of disbursement as per conditions schedule annexed to this order with rate of interest @11.50% P.A. and no moratorium will be allowed.

6. The Commissioner of Sugar and Cane Commissioner, Hyderabad shall take necessary further action in the matter.

7. This order issues with the concurrence with Finance Dept vide their U.O.No.23832/333/10 dated 03.9.2010 and as per Budget Release Order issued in the reference 3<sup>rd</sup> read above.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B.P. ACHARYA  
PRINCIPAL SECRETARY TO GOVERNMENT &  
COMMISSIONER FOR INDUSTRIAL PROMOTION.

To

The Commissioner of Sugar & Cane Commissioner,  
A.P.Hyderabad (w.e.)  
The Managing Directors of CSFs through Commr of Sugar & CC,  
A.P.Hyderabad.

The Accountant General, A.P., Hyderabad  
The Pay and Accounts Officer, A.P., Hyderabad  
The Director of Treasuries & Accounts, A.P., Hyderabad.

Copy to:

The Finance (Exp. I&C) Department.  
P.S. to Minister (Sugar)  
P.S. to Principal Secretary & CIP.

//FORWARDED BY ORDER//

SECTION OFFICER